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CSB # 07

21 March 1955

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MEMORANDUM FOR THE DIRECTOR, NATIONAL SECURITY AGENCY:

Subject: Policy for Safeguarding Cryptologic Information Provided to Commercial Organizations

Reference: COMSEC 7-3/1 of 2 March 1955

1. Vote sheet responses to the reference indicated approval by all except the Navy Member who disapproved for the reasons quoted herewith:

"1. Disapproval of the proposed policy is based on the following considerations:

"a. Compliance with security requirements involves the expenditure of funds by the contractor. Therefore, the requirements must be specific and made a part of the contract. Currently DD-441, 'Industrial Security Manual for Safeguarding Classified Information,' and DD form 254, 'Security Requirements Check List,' are used for this purpose. DD-441 is quite detailed and covers nearly all of the points made in the DIRNSA-proposed policy. Section VII of this manual states: 'The provisions of this manual apply to research, development, and production of cryptographic equipment supplemented by special instructions to be issued by the contracting officer concerned, notice thereof having been furnished the Contractor.' DD form 254, the accompanying Security Requirements Check List, is very detailed and is filled out by the contracting agency for each contract. This list specifies the classification of models, equipment, papers, photographs, and all other possible items, and has provisions for special instructions as appropriate. Together, these two documents can easily be made to cover all of the points in the DIRNSA-proposed policy.

"b. It is considered that standard Department of Defense requirements should be used for cryptologic equipment to the maximum practicable extent in order to avoid unnecessary complications and confusion for the commercial contractors. (The terms 'cryptologic' and 'cryptographic' would be misleading for contractors as they cover many equipments, classified and unclassified, that do not require cryptographic clearance for access or any protection other than that given ordinary items of the same classifications.) In addition, many of the requirements in the DIRNSA-proposed policy are less specifically stated than are the requirements in the existing manual and check list.

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"c. If the Director, National Security Agency should so desire he could submit proposed minor changes to DD-441 and DD form 254 to meet his requirements in specific detail."

2. Inasmuch as the above quoted comments by the Navy Member touch upon an aspect of the problem that may not have been considered by the other members and might have some influence on any reconsideration they might give to this matter, your views are solicited for circulation to the Membership together with the Navy comment so as to assist in arriving at a decision.

3. It may be that you will consider that a meeting will be required to resolve this matter. If so, it would still be desirable to circulate your views on the Navy Members' comment in advance of such a meeting so that all points involved can be fully considered by the Members before formal discussion at a meeting. Accordingly, no action to circulate the results of voting on the reference is contemplated pending receipt of your views on the above.

Very respectfully,

ALFRED L. TAYLOR
Captain, U. S. Navy
Executive Secretary, USCSF

Copy to:
Chairman, USCSF
Navy Member, USCSF

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